# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

UNSTARRED QUESTION NO:1345
ANSWERED ON:03.03.2016
Ujwal Discom Assurance Yojana (UDAY)
Adsul Shri Anandrao ;Chandel Kunwar Pushpendra Singh;Chaudhary Shri P.P.;Gandhi Shri Dilip Kumar Mansukhlal;Gopalakrishnan Shri R.;Joshi Shri Chandra Prakash;Kachhadia Shri Naranbhai;Maadam Smt. Poonamben Hematbhai;Patil Shri Shivaji Adhalrao;Shrirang Shri Chandu Barne;Venugopal Dr. Ponnusamy;Yadav Shri Dharmendra

**Will the Minister of POWER be pleased to state:**

(a) the salient features of the Ujwal Discom Assurance Yojana (UDAY);

(b) whether certain States have sent proposals to join the Yojana;

(c) if so, the details thereof along with the incentives being offered to the States under the scheme; and

(d) the time by which these proposals are likely to be approved?

## Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

( SHRI PIYUSH GOYAL )

(a) : The Ujwal DISCOM Assurance Yojana (UDAY) was launched by the Government of India on 20-11-2015 for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The Scheme aims to reduce the interest burden, reduce the cost of power, reduce power losses in Distribution sector, and improve operational efficiency of DISCOMs.

(b) : So far, 17 States have given their 'in-principle' approval to join the Scheme UDAY. Out of these, the States of Chhattisgarh, Bihar, Jharkhand, Gujarat, Rajasthan and Uttar Pradesh have already signed MoUs under UDAY.

(c) : The Scheme incentivizes the States by exempting State takeover of DISCOM debts from Fiscal Responsibility and Budget Management (FRBM) limits for two years; increased supply of domestic coal; coal linkage rationalization; liberally allowing coal swaps, allocation of coal linkages to States at notified prices and additional/priority funding in Schemes of Ministry of Power and Ministry of New & Renewable Energy, if they meet the operational milestones in the Scheme.

(d) : Participating States along with the DISCOMs have to enter into MoU with Government of India and take over 50% of outstanding debt as on 30-09-2015 by 31st March, 2016.

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